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September 21, 2006

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A, HAUGHTON FIELD, Bossier

Parish, Louisiana.

Dear Sir:

CHESAPEAKE OPERATING, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir A, and to the Cotton Valley Formation, Reservoir A, in the Haughton Field, Bossier Parish, Louisiana:

- 1. To permit Applicant to designate and utilize its Bahrassa 24 No. 1 Well, located as shown on the attached plat, as the substitute unit well for HOSS RA SUL, in exception to the spacing provisions of Office of Conservation Order No. 956, effective July 15, 1975.
- 2. To find that designation and use of the Bahrassa 24 No. 1 Well as the substitute unit well for HOSS RA SUL is necessary to efficiently and economically drain a portion of the Hosston Formation, Reservoir A, underlying HOSS RA SUL which cannot be efficiently and economically drained by any existing well within the unit.
 - 3. To designate Applicant as operator of HOSS RA SUL.
- 4. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, and from the Hosston Formation, Reservoir A, in the Bahrassa 24 No. 1 Well and in any future well drilled on the identical units for these formations in which the interests in the units are identical.
- 5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in the Haughton Field, Bossier Parish, Louisiana, is defined in Office of Conservation Order No. 956-A-1, effective May 9, 2006.

The Hosston Formation, Reservoir A, in the Haughton Field, Bossier Parish, Louisiana, is defined in Office of Conservation Order No. 956, effective July 15, 1975.

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Any pertinent data concerning this application will be available for inspection at the offices of Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person desiring to inspect any such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plat, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Haughton Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is

David L. Smelley

- Attorney for Chesapeake Operating, Inc.

DLS:dp Enclosures

enclosed.

cc: Mr. Jim Broussard (w/encls.)

Mr. Les Rodman (w/encls.) Ms. Jennie Lambert (w/encls.) Mr. Joe Adams (w/encls.) Interested Owners, Represented

Parties and Interested Parties (w/plats only)

